

**ALBERTA INDUSTRY/GOVERNMENT ROUNDTABLE  
GOVERNMENT PROCUREMENT  
EDMONTON, ALBERTA  
JANUARY 18, 1999**

**SUMMARY**

The Alberta Roundtable was productive and positive, with all participants taking an active role in the session. There was an excellent discussion of the terms of reference for the market access study, with many participants emphasizing the need to ensure negotiated access is “real” and that it reflects sectors where Canadian suppliers have the potential to be competitive. There was general support for transparency, particularly in view of Canada’s open and transparent system. It was noted that the scope of coverage negotiated would have to take into account cost considerations for participating governments and that scope should not be so broad as to eliminate future negotiations. It was underscored that the decision on potential coverage of provincial entities under such an agreement rests with the provincial government. There was widespread support of efforts to simplify the AGP, with the suggestion that Canada take the lead in promoting the use of “plain language” drafting.

The following sections of this report outline the discussions in the three break-out sessions. The bolded sections that follow were provided as questions to participants in order to engender discussion in the break out sessions. The responses following the bolded sections represent the views of the participants. In the case of Market Access, participants received the questions at the roundtable, and the contents of the flip charts developed by the participants have been transcribed. In the case of Transparency and Simplification, the questions were taken from the draft papers circulated to participants prior to the session, and the group facilitator has summarized the results of the discussions.

**MARKET ACCESS**

***What are the top 3 or 4 industry sectors (types of goods, services or construction) where businesses have an interest in selling to foreign governments?***

- 1) Contracting services and products (e.g. bldg. products) related to architects, engineering and construction.
- 2) Hospital goods and services
- 3) Telecom and advanced technology
- 4) Others:

- aerospace/defence industries, incl. Overhaul repair and maintenance
- information technology incl. Software, global positioning systems
- environmental products and services
- agricultural products/services, incl. Research (genetics), vaccines, serums-
- education and training products and services
- oil and gas services
- transportation
- forestry and forest products
- manufactured products incl. pencils to furniture

***The consultant would ask business for:***

- ***priority markets by country;***
- ***data on sales (baseline); and,***
- ***formal and informal impediments to sales.***

***Doable? yes? no? tips?***

***Your answers?***

Doable

- main issue is impediments, business may not know what is stopping them, so it would help to have a “template” to ask from and consultant should know something about issues
- although some aggregate statistics may be available from associations it is better to go directly to the businesses

***The consultant would ask business for:***

- ***an indication of how important domestic procurement preferences are to government sales in Canada; and,***
- ***an indication of willingness to give up domestic preferences to gain foreign access.***

***Doable? yes? no? tips?***

***Your answers?***

- a) consultants should ask about emerging markets as well
- b) impediments to US is biggest problem
- c) need intergovernmental co-operation
- d) hard to get info for smaller markets
- e) informal barriers should include currency risk/credit risk & political

***What qualifications will it be important for the consultant to possess?***

1. Knowledge international and domestic markets
2. Team alignment to industries
3. Regional perspective
4. Intergovernment industry communication

5. Other:

- credible to business
- experience with government procurement
- value for money
- understanding of western Canada
- must travel to all regions
- familiarity with existing barriers in foreign markets.

Regarding the group's views on the willingness to trade off local preference for access to other markets, the key points for them were:

- it depends on achieving **real** access for products of export interest
- the priority should be placed on removing interprovincial barriers first
- reciprocal access is important/essential reflecting a clear and significant benefit for Canada

Other points raised were:

- simple, clear, predictable access is important before Canadian concessions should be made
- need to help local companies become export ready (determine hidden costs to exporting)
- not much local preference in Alberta
- consultant to ask what role govt plays in providing info on other govt. depts.

## **TRANSPARENCY**

***What contents should Canada seek for an agreement? Are any of the above unnecessary for suppliers? Are any impractical for procurement organizations? Which provisions are critical for exporters? Are any other provisions needed to secure better market access?***

The group concluded that the key items for bidders are:

- publishing of procurement policies and procedures
- publishing of notices of proposed procurements
- inclusion of evaluation criteria in bid documents

In addition the group indicated that the following are key items for enforcement:

- publishing of reasons for sole source contracting

- publishing notices of contract awards
- bid challenge provisions for suppliers
- dispute resolution

Overall, the group appeared to believe that knowing the rules of the game is important.

***What scope is appropriate for Canada to pursue?***

- ***no greater than WTO Agreement on Government Procurement (AGP) and the North American Free Trade Agreement Chapter 10 (NAFTA) (federal only)?***
- ***no greater than the Agreement on Internal Trade (AIT) (federal, provincial and MASH)?***
- ***all government departments, agencies and Crown Corps.?***

The group clearly was of the opinion that federal departments and agencies should be covered. Regarding provincial government entities, including provincial Crown corporations, it was underscored that the decision on coverage of such entities clearly rests with the provincial government. The view of the group was that more study would be required (e.g., results of the proposed market access study) before further consideration could be given to coverage of provincial government entities. For these entities, the link was made to the need to hold back on their coverage pending an assessment of other countries' offers and the administrative cost.

***Is the potential objective for transparency appropriate?***

The group was in agreement with the objective as stated.

**SIMPLIFICATION OF THE WTO AGREEMENT ON GOVERNMENT PROCUREMENT**

**Information technology/electronic commerce**

***Should Canada pursue a reduction in minimum bid periods in the light of the widespread introduction of electronic dissemination of notices and, to a lesser extent, electronic receipt of bids? Or do Canadian firms bidding on foreign contracts need at least the current time allowed so as to ensure they have non-discriminatory access to foreign procurement regardless of the type of product being procured?***

The group's view was that, generally, the minimum bid period should be maintained at 40 days. It was felt that having broad principles, allowing for shorter bid periods for certain goods, would be inappropriate as it would permit interpretations of said to the disadvantage of Canadian exporters.

**Statistical Reporting**

***Should Canada pursue the elimination? Simplification? Retention as is? Of statistical reporting?***

The provincial representatives in the group mentioned the complexity that the provinces are dealing with the Agreement on Internal Trade. The group suggested that any statistical information collected should be useful in helping people understand the current environment relating to government procurement. The statistics should report progress in implementing the AGP.

The group suggested that the cost in human and financial resources of compiling statistics should be relevant to the goals that the AGP is trying to achieve in requiring reports.

The group mentioned that it is important that the statistics provide details on where market access exist. Statistics categorized by type of product are important.

Note: The group came to a consensus that simplification is a goal worth pursuing.

***Should Canada pursue optional reporting at the sub-central level or do our market access needs necessitate the provision of this data by other countries?***

The group suggested that there is no point in requiring sub-central data if countries are having trouble compiling data at the central level.

***Should Canada pursue providing governments with the choice to provide reports on the Internet as searchable data rather than on paper?***

The group agreed that providing reports on the Internet would be useful where it is feasible.

**Procurement Procedures**

***Does the current levels of detail in the procedures ensure that all participating countries provide the negotiated market access? Or should Canada pursue simplification of the procurement procedures to broad descriptions of the concepts of open, selective and limited tendering, leaving it to government procurement organization to determine how to implement the broad concepts?***

The group believed that they did not have significant enough knowledge of the text of the agreement to reach detailed conclusions. However, it was suggested that a simple text is more appropriate.

***If detailed rules are pursued, should Canada pursue modification of the***

***procedures to provide for modern procurement practices such as electronic catalogues?***

The group suggested that the procedures should provide for modern practices and allow flexibility for future technological advances.

***Should Canada pursue one set of procurement procedures for all covered government departments and Crown Corporations (enterprises) or are separate ones required to address separate, specific market access concerns?***

The group mentioned that one system of procedures would make it more convenient for Canadians to bid on Canadian government contracts. However, the group also recognized that Crown Corporations operating in the private sector have specific concerns.

**Reorganization and Clarification of the Text of the AGP**

***Should Canada press for the reorganization and clarification of the text of the AGP?***

The group suggested that it may be appropriate to have more supplier input in the drafting of the text. Canada should show leadership in providing a plain language text to make it simpler, clearer and easier to follow.

**Enforcement**

***Should Canada pursue any new enforcement mechanisms such as deadlines for statistical reporting?***

The group suggested that Canada should only provide its data to countries that submit their own data.

The group further mentioned that there should be no new enforcement mechanisms that impede the greater good.

**Potential Canadian Objective for Simplification of the AGP**

***Is the potential objective appropriate?***

The group suggested that the language of the objective be simplified. The objective should start with a short statement followed by bullet points of each component of the objective. It should be explained more clearly.

